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# *Weinberger Drug Stores, Inc.*

*Cleveland, Ohio*

# *Annual Report*

*for the year ending*
*December 31, 1932*

MRD
CORP. FILE

TO THE SHAREHOLDERS:

In behalf of the Board of Directors, I present herewith the annual report for 1932, based upon audit of our books by Messrs. Ernst & Ernst.

The net profit for the year after deducting all charges including depreciation and provision for Federal Income Tax, amounted to $87,892.43, equivalent to $1.21 per share on the total shares outstanding at December 31, 1932.

During the year 1932, your Company added two new stores to its chain making a total of twenty-six stores in operation. These additions were made without increasing capital, which stands the same as at the beginning of the year. A comparison of current assets and current liabilities at December 31, 1931 and December 31, 1932, follows:

| | DEC. 31, 1931 | DEC. 31, 1932 |
|---|---|---|
| Current Assets | | |
| Cash | $ 70,255.06 | $ 93,573.20 |
| Accounts Receivable | 26,061.97 | 12,598.57 |
| Inventory | 520,992.71 | 512,153.38 |
| Cash surrender value of life insurance | 1,914.14 | 5,119.00 |
| TOTAL CURRENT ASSETS | $619,223.88 | $623,444.15 |
| Current Liabilities | | |
| Accounts Payable | $109,163.28 | $ 96,769.74 |
| Accrued Taxes | 18,241.02 | 21,984.88 |
| TOTAL CURRENT LIABILITIES | $127,404.30 | $118,754.62 |
| NET CURRENT ASSETS | $491,819.58 | $504,689.53 |

The progress made has been greatly influenced by the active assistance rendered by the Company's many friends and shareholders and the policies that have created this confidence will be vigorously maintained.

Very truly yours,

ADOLPH WEINBERGER,
*President*

CONDENSED BALANCE SHEET

WEINBERGER DRUG STORES, INC., CLEVELAND AND SUBSIDIARIES

*As of the close of business December* 31, 1932.

## ASSETS

| | | |
|---|---|---|
| **CURRENT** | | |
| Cash on hand and on deposit | $ 93,573.20 | |
| Customers' accounts receivable and creditors' debit balances | 12,598.57 | |
| Inventory (certified by management) | 512,153.38 | |
| Cash surrender value of life insurance | 5,119.00 | $623.444.15 |
| **OTHER ASSETS** | | |
| Treasury stock (3,015 shares) at cost (indicated market value at December 31, 1932—$22,612.50) | $ 33,431.36 | |
| Officer's and employees' notes receivable-secured by Company's capital stock | 21,994.58 | |
| Sundry deposits, personal and miscellaneous accounts receivable, etc. | 25,925.43 | $ 81,351.37 |
| **PERMANENT** | | |
| Furniture and fixtures, including improvements to leased property (book value) | $239,037.20 | |
| Less: Reserve for depreciation | 62,494.09 | 176,543.11 |
| **PATENTS AND TRADE MARKS** | | 1.00 |
| **DEFERRED** | | |
| Unexpired insurance premiums, supplies, inventory, etc. | | 13,803.75 |
| | | $895,143.38 |

## LIABILITIES

| | | |
|---|---|---|
| **CURRENT** | | |
| Accounts payable for purchases, expenses, etc. | $ 96,769.74 | |
| Accrued taxes | 21,984.88 | $118,754.62 |
| **RESERVE FOR CONTINGENCIES** | | 3,000.00 |
| **CAPITAL STOCK AND SURPLUS** | | |
| Capital stock (without par value): | | |
| Authorized 100,000 shares | | |
| Outstanding 75,629 shares | | |
| Stated capital | $546,000.00 | |
| Capital surplus | $ 81,951.70 | |
| Profit and loss-surplus | 145,437.06 | 227,388.76 773,388.76 |
| | | $895,143.38 |

(NOTE) This balance sheet is subject to the comments in our "Certificate", included in this report.

## PROFIT AND LOSS SURPLUS

### WEINBERGER DRUG STORES, INC., CLEVELAND AND SUBSIDIARIES

*For the year ended December 31, 1932.*

| | | |
|---|---|---|
| BALANCE December 31, 1931—as shown by audit report | | $130.478.38 |
| ADDITION | | |
| Summary of earnings for the year ended December 31, 1932: | | |
| Gross Profit | $788,851.71 | |
| Less: Selling, general and administrative expense | 670,325.49 | |
| OPERATING PROFIT | $118,526.22 | |
| Other deductions-net | 13,633.79 | |
| PROFIT BEFORE FEDERAL INCOME TAX | $104,892.43 | |
| Provision for federal income tax | 17,000.00 | |
| NET PROFIT | | $ 87,892.43 |
| Less: Dividends paid—$1.00 per share | | 72,933.75 |
| NET ADDITION | | 14,958.68 |
| BALANCE DECEMBER 31, 1932—AS SHOWN BY ANNEXED BALANCE SHEET | | $145,437.06 |

(NOTE) Depreciation provision for the current year, in the amount of $22,879.87, is included in the above expenses.

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February 2, 1933.

Weinberger Drug Stores, Inc.,
Cleveland.

Gentlemen:—

We submit the annexed balance sheet of WEINBERGER DRUG STORES, INC., and subsidiaries, AVERBECK DRUG STORES, INC., and SUPERIOR LABORATORIES, INC., all of CLEVELAND, as of the close of business December 31, 1932, together with surplus statement for the year then ended, which we have prepared from our audit report in which further comments and other details are set forth.

The operating results for the current year, as shown in the annexed surplus statement, are included as shown by the Companies' books, without detailed audit of the items included therein, however, limited test checks thereof were made by us.

Change and petty cash funds at stores, amounting to $5,810.00 were confirmed to us by the store managers, and other cash funds were independently verified. Customers' accounts receivable were evidenced by trial balance of the individual debtors' accounts, and we also mailed verification requests to customers having accounts in excess of $25.00. Only minor exceptions were noted on the replies received.

The merchandise inventory, except approximately $15,000.00, is based upon physical inventories which have been certified to us by officials of the Companies as to quantities, salability and prices used, the latter as representing estimated cost or lower. We tested the quantities in four of the Companies' stores and in the warehouse and laboratory, and also tested the mathematical accuracy of computations and prices used.

Treasury stock, officer's and employees' notes receivable and relative collateral, sundry deposits and investments were satisfactorily verified by us.

Permanent assets are included at depreciated book value. Charges to these accounts for the year ended December 31, 1932, in our opinion, represent properly capitalizable items. Depreciation, in the amount of $22,879.87, has been provided for by charges against current operations.

Provision has been made for all obligations of the Companies at December 31, 1932, disclosed by the records examined and information obtained by us.

Subject to the foregoing, WE HEREBY CERTIFY, that, in our opinion, based upon the records examined and information obtained by us, the accompanying balance sheet sets forth the financial position of WEINBERGER DRUG STORES, INC., and SUBSIDIARIES, as of the close of business December 31, 1932.

Very truly yours,

ERNST & ERNST,
CERTIFIED PUBLIC ACCOUNTANTS